

Advanced Pooling of Multifamily Loans

Multifamily Pooling Beyond GinnieNET

'14

GINNIE MAE SUMMIT

THE POWER OF PARTNERSHIPS

SEPTEMBER 22-23, 2014 | CRYSTAL CITY, VIRGINIA



Overview

In this session, Multifamily Issuers will go beyond the basics of Ginnie*NET* pooling and learn tips from the Multifamily Division and Ginnie Mae's Pool Processing Agent (BNY Mellon).

Speakers

- LaShonia Michelle Murphy, Ph.D., Senior Mortgage-Backed Securities Specialist
- Andrea Hunter, Vice President, BNY Mellon

Topics

- Special Issuances
- Construction Loan Pools
- Conversions
- Modifications
- Project Loan Pools
- Miscellaneous
- Q & A

Special Issuances

- Some special situations require approval from Ginnie Mae, paper submissions, manual processing and special disclosures.
- Learning how to assemble such a pool package will prepare you for virtually any pooling situation.

Construction Loan Pools

Split Rate Pooling On a Specific Date

In some cases, a lender may have a split rate mortgage where the loan interest rate changes on a specific date, while it is in the construction phase. Ginnie Mae will allow the change of the security and/or mortgage rates.

The procedure and safeguard steps are:

Pre-pooling:

- Issuer contacts Ginnie Mae to confirm pool type
- Issuer obtains security holder approval at the time of rate lock
- Issuer fully discloses terms in the Annex of the Prospectus

After Issuance and Prior to Rate Change:

- Issuer submits request to Multifamily Division 30 days before the actual rate change
- Ginnie Mae coordinates with the BNY Mellon to update the security and/or mortgage rates

Construction Loan Pools

Multiple Advances (92403) for One Draw Submission

Each Ginnie Mae draw must be supported by at least one form HUD 92403.

It is perfectly acceptable to combine multiple HUD 92403s and do one Ginnie Mae draw. This is common practice because Ginnie Mae only allows one draw securitization per month which allows for a better construction funding workflow.

As a result, FHA's loan advance count can be greater in number sequence than Ginnie Mae's securitized draw count.

Please note: Failure to include the correct amount will cause accounting discrepancies at conversion.

Conversions

Type 3 Conversion vs. Type 5 Conversion

What is a Type 3 Conversion?

A Type 3 Conversion is the submission of the PN pool with the manual return of the CLCs position(s), with issuance of the Permanent Loan Security (Position) through the Federal Reserve Bank of New York (FRBNY).

- Whoever holds/owns all of the CLCs must return the positions to the FRBNY for cancellation so the project loan position can be issued and delivered.

Conversions

Type 3 Conversion vs. Type 5 Conversion

When MUST an Issuer submit a Type 3 Conversion?

- If there isn't a final draw, or
- If the Issuer advances or funds are less than minimum security amount (\$1,000), or
- If the final draw is less than the schedule principal collected and loan commenced amortization.

Please note: Issuers cannot request a Type 3 Conversion with draw issuance in the same month. *For example, if you issue the last draw in April, you are to convert in May, not April.*

Conversions

Type 3 Conversion vs. Type 5 Conversion

What is a Type 5 Conversion?

A Type 5 Conversion is when the final draw and PN conversion are submitted together for issuance. The final CLC is delivered for settlement, and three business days later the CLC is automatically canceled when the PN is delivered through the FRBNY for settlement.

Steps:

- Issuer contacts BNY Mellon to obtain Investor(s) of record for the CL pool
- BNY Mellon contacts FRBNY for Dealer/Investor details; forwards information to Issuer
- Final draw/PN conversion (Type 5) submission is received by BNY Mellon
- BNY Mellon contacts FRBNY to send a broadcast message to Dealers/Investors regarding the conversion
- CL/PN conversion approved for issuance and settlement

Conversions

Amortizing Construction Loan

- GinnieNET pooling of the PN is possible
- Issuer must pass through collected principal directly to the Investor(s)
- Issue PN pool at amortized amount (unpaid balance amount)

Conversions

Modifications

- Must contact Ginnie Mae
- Investor approval required
- Must be a manual pool submission
- Can only convert to PN pool type

Conversions

Mortgage Increase / Decrease

- Contact BNY Mellon for system parameters
- Can be done through Ginnie*NET* for most submissions
- HUD's approval for mortgage increase/decrease is required
- Investor acknowledgment may be required

Modifications

Split Rate LM pools (1st month payment at old rate)

For Mature Loan Pools:

In addition to completing the Loan History screen, Issuers will be required to enter the future payment information on the Non-Level Payment screen.

Please Note: On GinnieNET, the last History line for Mature Loan payments will populate the form HUD 11706 with the current first and last payment dates, monthly P&I and the unpaid balance amounts. For assistance please call the GinnieNET hotline at 1-800-234-4662, option 1.

Modifications

Modified Loan History Schedule -- Webpage Dialog

Pool#: Issue Type: ☒ Pool Type: LM Issue Date: 07/01/2014 Loan#: Security Rate: 3.980

Entry#: <input type="text"/> 1	P&I: <input type="text"/> 55085.70	Loan OPB: <input type="text"/> 8670000.00	Loan UPB: <input type="text"/> 7011617.18
First Pay Date: <input type="text"/> 9/1/2002	Last Pay Date: <input type="text"/> 6/1/2014	Interest Rate: <input type="text"/> 6.550	
Entry#: <input type="text"/> 2	P&I: <input type="text"/> 46284.13	Loan OPB: <input type="text"/> 7011617.18	Loan UPB: <input type="text"/> 7011617.18
First Pay Date: <input type="text"/> 8/1/2014	Last Pay Date: <input type="text"/> 8/1/2032	Interest Rate: <input type="text"/> 4.230	

Close Window

Modifications

Non Level Payment Schedule -- Webpage Dialog

Pool#:		Issue Type:	X	Pool Type:	PN
Loan#:	0000000000000001	Loan OPB:	11635000.00	Issue Date:	08/01/2014

Current Mortgage Info

First Pay Date:	04/01/2014	Last Pay Date:	03/01/2054		
Security Rate:	2.450	Interest Rate:	2.700	P&I:	39665.24

Entry#:	1	Payment Change Date:				
Security Rate:		Interest Rate:		P&I:		<input type="checkbox"/> Delete

Add New

Save

Cancel

Project Loan Pools

Project Loan Pool Types: PL vs. PN

- The difference between PL vs. PN
- The advantage/disadvantages
- Can a lender issue a PL pool?

Miscellaneous

Incorrect Pool Type

It is essential that pools are issued with the correct pool type.

- The only way to change a pool type is to request an early termination of a pool
- If early termination is approved by Ginnie Mae, Issuer may resubmit pool for issuance with correct pool type

Miscellaneous

Manual Pool Issuances

- RD construction loans
- Loans where the P & I payment is more than six figures
- 515/538 loans
- Basis point spread exceptions
- Balloon Payment loans
- Conversions where first payment date of PN is greater than 24 months from the issue date

Miscellaneous

Basis Points Spread (BPS)

With special approval from Ginnie Mae, Issuers are allowed to issue:

- CL or PN pools with basis points spread in excess of 50 bps
- LS or RX pools with basis points spread below 50 bps
- Issuers must enter the date of the approval letter into Ginnie*NET*

Miscellaneous

Changes to Multifamily Database/Prospectus

- If the loan information on the Multifamily Database is incorrect, Ginnie Mae can authorize revisions to the database.
- As for the Prospectus and form HUD 11706, there is no procedure or mechanism in place to systematically make changes to documents of pools that are issued. Therefore, Issuers can make manual changes to these documents and submit them to the document custodian. In addition, please submit the revised prospectus to your Investor/attorney.

Miscellaneous

Endorsement Panel Correction

- Ginnie Mae has no objection to the handwritten correction on the endorsement panel as long as the Issuer certifies that other documents in the custodial file correspond to the written-in amount (Rider to the Note, Mortgage Modification Agreement).

Miscellaneous

Two for One Pools

One FHA project (case number) is underlying collateral for multiple Ginnie Mae pools

Initial pooling:

- Issuer requests permissions from Ginnie Mae with certifications that all other pooling requirements are met; pool numbers should be pre-assigned for these submissions
- Ginnie Mae responds with formal letter requesting that cross default terms are included in each Prospectus

Additional related pool:

- Issuer obtains cross default acknowledgments from existing investors
- Issuer must update the Prospectus with cross default information

Miscellaneous

Deferred Principal Payment

Pre-pooling:

Ginnie Mae may allow deferment of principal payment in the initial months if outlined in mortgage note and lender obtains investor approval. Information must be disclosed in Prospectus.

Subsequent to Pooling:

Ginnie Mae will not approve a suspension of principal payments on a active security.

Miscellaneous

CEMA Transactions

- Ginnie Mae All Participant Memorandum (APM) 03-14: Consolidation and Modification of Multifamily Loans authorizes the modification of multifamily mortgages on properties located New York and Maryland. In addition, Ginnie Mae permits the modification of multifamily mortgages on properties located in Florida and Minnesota.
- A formal letter from Ginnie Mae is NO LONGER required to be submitted for pool certification by the document custodian.
- CEMA transactions in the four states are allowed if the Issuer provides Ginnie Mae with a written certification.

Miscellaneous

Pool DK

- **DK = Don't Know**
 - DK's are an industry term meaning that the Clearing/Custody bank doesn't recognize the trade, and this may lead to an overnight delay in delivery.
- Exceptions occur due to an Issuer inputting the incorrect delivery instructions
 - A good practice is to place a '/' between the bank's name and third party name
 - Correct: **BONY/HARCUS/213897**, Incorrect: **BONY/HARCUS213897**
- Too much information can result in an exception.
- If you do not see your trade by 1:30 PM, contact BNY Mellon.
- If Investor DKs a pool due to a pooling error, you will be advise to work with your Account Executive for the best resolution.

Miscellaneous

GinnieNET New Pool Submissions – Final Certification

GinnieNET Network is swept twice each business day for processing and issuance of pools initially certified by the Document Custodian.

2:00 PM Sweep of Certified Pools:

- Pools certified prior to 2:00 PM ET will be considered 1 Day Processing and may be delivered for settlement by the next business day.

9:00 PM Sweep of Certified Pools:

- Pools certified after 2:00 PM ET but before 9:00 PM ET will be considered 2 Day Processing and may be delivered for settlement in two business days.

Miscellaneous

GinnieNET Pool Submissions – Process to Delete Certified Pools

For Pools in the 2:00 PM GinnieNET Sweep:

- Contact the Ginnie Mae Help Desk at 1-800-234-4662, option 3. Pool(s) can only be deleted between the hours of 2:00 PM - 4:00 PM EST by the PPA.

For Pools in the 9:00 PM GinnieNET Sweep:

- Issuers have until 12 Noon to perform an Auto-Delete on GinnieNET. After 12 Noon but before 4:00 PM - EST, Issuers must contact the Ginnie Mae Help Desk at 1-800-234-4662, option 3 for assistance with deleting pool(s).

Please Note: If the pool is issued (after 4:00 PM or thereafter), Issuers will be advised to work with their Account Executive for a resolution.

Miscellaneous

Reminders

- Rural Development Pools – subordination agreements are needed for all 538/515 loans
- Corporate Seals – if your state does not require a corporate seal, notate on 11705
- Constructions loans are not eligible for PIIT (Pool Issuance Immediate Transfer)
- Reporting Multifamily Prepayment Penalties
- All new accounts must be submitted into MAMS before pool submission – see Appendix

Questions?

Appendix


Master Agreements Annual Renewal Process

- Issuers are required to have Approved Master Agreements on File with the PPA.
- Issuers must recertify Master Agreement forms annually by January 1st.
 - MAMS Renewal Period – October 1st to December 31st
- The Annual Renewal process is executed on the Master Agreements Management System (MAMS) on GMEP.
- Failure to renew may result in suspending pooling/origination rights.

Master Agreements Annual Renewal Process

- Form HUD-11702: Resolution of Board of Directors and Certificate of Authorized Signatures
- Form HUD-11707: Master Servicing Agreement
- Form HUD-11709: Master Agreement for Servicer's P&I Custodial Account
- Form HUD-11709A: ACH Debit Authorization (*Does not Require Renewal*)
- Form HUD-11715: Master Custodial Agreement
- Form HUD-11720: Master Agreement for Servicer's Escrow Custodial Account

Master Agreements Annual Renewal Process


**Enterprise Portal**[Help](#) | [Contact Us](#)

Login

Login

This is a U.S. Government information system under Government National Mortgage Association (Ginnie Mae) It is for authorized use only and is subject to monitoring, recording and audit. Users (authorized and unauthorized) have no explicit and implicit expectation of privacy. Additionally, unauthorized access is a violation of Federal Statute 18 USC 1030 and improper use of this system may result in administrative disciplinary actions and /or civil and criminal penalties. By continuing to use this system you indicate your consent to these terms and conditions of use.

Continue to Login

[PRIVACY POLICY](#)[GINNIE MAE: GOVERNMENT GUARANTEED](#)

Master Agreements Annual Renewal Process

MAMS - Logging into GMEP

Username: An Issuer or Subservicer Username begins with **I_** followed by the initial of first name followed by last name. A Document Custodian's Username begins with **C_** followed by the initial of first name followed by last name.

Password: The initial password is system generated consisting of a combination of upper case/lower case alpha-numeric characters and symbols.

- First time users will be prompted to change their password.
- Existing Issuers may use their current ID and password.

Forgotten passwords may be reset by clicking Forgot Password, the User will be asked a series of security questions to verify their identity.

Master Agreements Annual Renewal Process

The GMEP Welcome screen provides system menu options.

User information (Organization ID and associated Issuer Numbers) is displayed on the left.

The menu bar provides access to IPMS and the following applications:

- Commitment Management
- Request Pool Numbers
- Master Agreements
- Pool Transfer
- Submission Center
- Report Center

To access MAMS, click IPMS and select Master Agreements.

Master Agreements Annual Renewal Process

View Certification before October 1st, 2014

COMMITMENT MANAGEMENT	REQUEST POOL NUMBERS	MASTER AGREEMENTS	POOL TRANSFER	ACH	SUBMISSION CENTER
<p>SUMMARY SEARCH FORMS</p>					
<p> Issuer Number / Name: 3153 PRUDENTIAL HUNTOON PAIGE ASSOCIATES, LLC. <input type="button" value="v"/> Role: Issuer <input type="button" value="v"/> Form: All <input type="button" value="v"/> Status: All <input type="button" value="v"/> Certification Year: All <input type="button" value="v"/> <input type="button" value="Display"/> </p>					
<p> Create Form: Select Form <input type="button" value="v"/> <input type="button" value="Go"/> </p>					
		1 - Authorized Signers	2014	Initial	Completed view
		1 - Authorized Signers	2014	Initial	Completed view
<input type="checkbox"/>	HUD-11707 - Master Servicing Agreement				
			2014	Initial	Completed view
			2014	Initial	Completed view
<input type="checkbox"/>	HUD-11709 - Master Agreement for Servicer's Principal and Interest Custodial Account				
		bnym,062200534	2014	Initial	Completed view
		bnym,062200534	2014	Initial	Completed view
<input type="checkbox"/>	HUD-11709A - ACH Debit Authorization				
		021000021 Ginnie Mae (I)	2014	Initial	Completed view
		062200534 Ginnie Mae (II)	2014	Initial	Completed view
<input type="checkbox"/>	HUD-11715 - Master Custodial Agreement				
		ALASKA USA TRUST COMPANY	2014	Initial	Completed view
		ALASKA USA TRUST COMPANY	2014	Initial	Completed view
<input type="checkbox"/>	HUD-11720 - Master Agreement for Servicer's Escrow Custodial Account				
		bnym,062200534	2014	Initial	Completed view
<input type="button" value="Add to Submission Center"/>					

Master Agreements Annual Renewal Process

On October 1, 2014 the Renewal Process Commences

COMMITMENT MANAGEMENT | REQUEST POOL NUMBERS | **MASTER AGREEMENTS** | POOL TRANSFER | ACH | SUBMISSION CENTER

SUMMARY | [SEARCH FORMS](#)

Issuer Number / Name: 3153 PRUDENTIAL HUNTOON PAIGE ASSOCIATES, LLC. Role: Issuer Form: All Status: All Certification Year: All [Display](#)

Create Form: Select Form [Go](#)

Form Number/Name	Details	Certification Year	Description	Status	View	Actions
<input type="checkbox"/> HUD-11702 - Resolution of Board of Directors and Certificate of Authorized Signatures						
	1 - Authorized Signers	2015	Renewal	Draft	view	<input type="checkbox"/> Add to Submission Center
	1 - Authorized Signers	2014	Initial	Completed	view	
	1 - Authorized Signers	2015	Renewal	Draft	view	<input type="checkbox"/> Add to Submission Center
	1 - Authorized Signers	2014	Initial	Completed	view	
<input type="checkbox"/> HUD-11707 - Master Servicing Agreement						
		2015	Renewal	Draft	view	<input type="checkbox"/> Add to Submission Center
		2014	Initial	Completed	view	
		2015	Renewal	Draft	view	<input type="checkbox"/> Add to Submission Center
		2014	Initial	Completed	view	
<input type="checkbox"/> HUD-11709 - Master Agreement for Servicer's Principal and Interest Custodial Account						
	bnym,062200534	2015	Renewal	Draft	view	<input type="checkbox"/> Add to Submission Center
	bnym,062200534	2014	Initial	Completed	view	
	bnym,062200534	2015	Renewal	Draft	view	<input type="checkbox"/> Add to Submission Center

[Add to Submission Center](#)

Master Agreements Annual Renewal Process

Select Master Agreements for Renewal - Submission Center

COMMITMENT MANAGEMENT **REQUEST POOL NUMBERS** **MASTER AGREEMENTS** **POOL TRANSFER** **ACH** **SUBMISSION CENTER**

SUMMARY | [SEARCH FORMS](#)

Selected forms have been added to Submission Center

Issuer Number / Name:
3153 PRUDENTIAL HUNTOON PAIGE ASSOCIATES, LLC.

Role:
Issuer

Form:
All

Status:
All

Certification Year:
All

Display

Create Form:
Select Form

	bnym.062200534	2015	Renewal	New	view	<input checked="" type="checkbox"/> Added to Submission Center
	bnym.062200534	2014	Initial	Completed	view	
<input type="checkbox"/> HUD-11709A - ACH Debit Authorization						
	021000021 Ginnie Mae (I)	2014	Initial	Completed	view	
	062200534 Ginnie Mae (II)	2014	Initial	Completed	view	
<input type="checkbox"/> HUD-11715 - Master Custodial Agreement						
	ALASKA USA TRUST COMPANY	2015	Renewal	New	view	<input checked="" type="checkbox"/> Added to Submission Center
	ALASKA USA TRUST COMPANY	2014	Initial	Completed	view	
	ALASKA USA TRUST COMPANY	2015	Renewal	New	view	<input checked="" type="checkbox"/> Added to Submission Center
	ALASKA USA TRUST COMPANY	2014	Initial	Completed	view	
<input type="checkbox"/> HUD-11720 - Master Agreement for Servicer's Escrow Custodial Account						
	bnym.062200534	2015	Renewal	New	view	<input checked="" type="checkbox"/> Added to Submission Center
	bnym.062200534	2014	Initial	Completed	view	
	bnym.062200534	2015	Renewal	New	view	<input checked="" type="checkbox"/> Added to Submission Center
	bnym.062200534	2014	Initial	Completed	view	

View 1 - 28 of 28

Add to Submission Center

Master Agreements Annual Renewal Process

Submitting Forms on Submission Center

The Submission Center is located on the IPMS Summary Screen and contains forms pending review and authentication.

View By: Select Master Agreements from the drop-down menu.

The screen displays:

- Issuer Number
- Issuer Name
- Description of the Form
- Action – Click the PDF icon to display the related form
- Delete

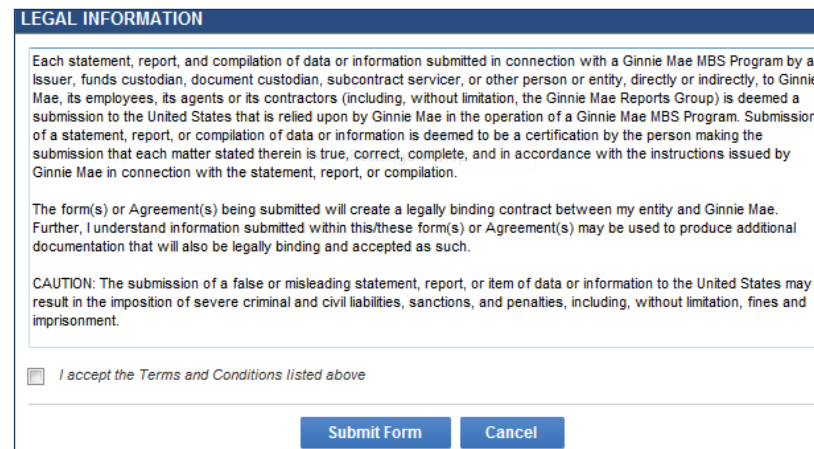
To submit approval(s):

- For all forms, place a check mark next to the Issuer Number column header; or
- Single Forms, place a check mark in the box next to a specific form.

Master Agreements Annual Renewal Process

MAMS – Submission Center – Authentication

- Ginnie Mae's Terms and Conditions must be accepted by an Authorized Signatory in order to authenticate the submission. Check *"I accept the Terms and Conditions listed above"* and click Submit Form.



LEGAL INFORMATION

Each statement, report, and compilation of data or information submitted in connection with a Ginnie Mae MBS Program by an issuer, funds custodian, document custodian, subcontract servicer, or other person or entity, directly or indirectly, to Ginnie Mae, its employees, its agents or its contractors (including, without limitation, the Ginnie Mae Reports Group) is deemed a submission to the United States that is relied upon by Ginnie Mae in the operation of a Ginnie Mae MBS Program. Submission of a statement, report, or compilation of data or information is deemed to be a certification by the person making the submission that each matter stated therein is true, correct, complete, and in accordance with the instructions issued by Ginnie Mae in connection with the statement, report, or compilation.

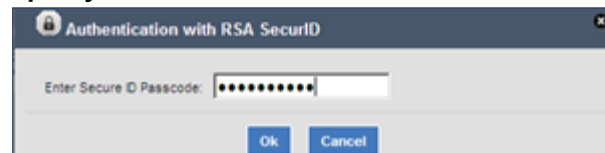
The form(s) or Agreement(s) being submitted will create a legally binding contract between my entity and Ginnie Mae. Further, I understand information submitted within this/these form(s) or Agreement(s) may be used to produce additional documentation that will also be legally binding and accepted as such.

CAUTION: The submission of a false or misleading statement, report, or item of data or information to the United States may result in the imposition of severe criminal and civil liabilities, sanctions, and penalties, including, without limitation, fines and imprisonment.

☐ I accept the Terms and Conditions listed above

Submit Form **Cancel**

- A pop-up box is displayed and the User is prompted to enter their 4-digit PIN followed by the 6-digit passcode displayed on the RSA SecurID token. Click OK.



Authentication with RSA SecurID

Enter Secure ID Passcode:

Ok **Cancel**

Master Agreements Annual Renewal Process

Completed Forms for 2015 Certification Year

COMMITMENT MANAGEMENT

REQUEST POOL NUMBERS

MASTER AGREEMENTS

POOL TRANSFER

ACH

SUBMISSION CENTER

SUMMARY | **SEARCH FORMS**

Issuer Number / Name:
3153 PRUDENTIAL HUNTOON PAIGE ASSOCIATES, LLC.

Role:
Issuer

Form:
All

Status:
All

Certification Year:
All

Create Form:
Select Form

Form Number/Name	Details	Certification Year	Description	Status	View	Actions
<input type="checkbox"/> HUD-11702 - Resolution of Board of Directors and Certificate of Authorized Signatures						
	1 - Authorized Signers	2015	Renewal	Completed	view	
	1 - Authorized Signers	2014	Initial	Completed	view	
	1 - Authorized Signers	2015	Renewal	Completed	view	
	1 - Authorized Signers	2014	Initial	Completed	view	
<input type="checkbox"/> HUD-11707 - Master Servicing Agreement						
		2015	Renewal	Completed	view	
		2014	Initial	Completed	view	
		2015	Renewal	Completed	view	
		2014	Initial	Completed	view	
<input type="checkbox"/> HUD-11709 - Master Agreement for Servicer's Principal and Interest Custodial Account						
	bnym,062200534	2015	Renewal	Completed	view	
	bnym,062200534	2014	Initial	Completed	view	
	bnym,062200534	2015	Renewal	Completed	view	

Master Agreements Annual Renewal Process

Summary of Completed 2015 Certification

[HOME](#) [PROCESSING & SERVICING](#) [REPORT CENTER](#) [RSA TOKEN VALIDATION](#) [HEALTH CHECK](#) [UFS](#) [WCP](#) [TASK FLOW](#)

Issuer Number
3153

Issuer Name
PRUDENTIAL HUNTOON PAIGE ASSOCIATES, LLC.

Go

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[SUMMARY](#) | [SEARCH FORMS](#)

View by Status:
All

Create Form:
Select Form

Go

<< < 1 - 1 of 1 > >>

Issuer Number	Issuer Name	Issuer Status	Participation Agent Status	Subservicer Status
3153	PRUDENTIAL HUNTOON PAIGE ASSOCIATES, LLC.	Complete	N/A	N/A